



January 14, 2015

Item No. 4

RATIFICATION OF A CONTRACT AMENDMENT AND TASK ORDER MODIFICATIONS FOR VARIOUS CONTRACTS

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners approve the attached Resolution to 1) ratify a \$210,248 contract amendment and task order modifications under Globetrotters C-9050 and 2) ratify \$400,169 in task order modifications to various other Chicago Housing Authority projects with the following contractors and prime design consultants:

- Holabird & Root C-9049
- Solomon Cordwell Buenz C-1121
- Pappageorge Haymes C-1120
- Globetrotters C-1118
- Globetrotters C-9050
- Madison Construction C-11086
- Coleman Development C-11089
- Oakk Construction C-11088
- Apex Construction C-11082
- Oakley Construction C-11295

The Deputy Chief of the Capital Construction Department, the Office of the General Counsel and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE MISSION

Ensure that CHA's housing portfolio is safe, decent and sustainable.

FUNDING

General Fund

GENERAL BACKGROUND /EXPLANATION

The Significant Actions Policy states, in part: "Board approval must be obtained prior to CHA incurring liabilities in excess of \$100,000. Modernization activities, change orders, or cumulative change orders in excess of 5% of the contract amount or \$100,000, whichever is greater, must receive Board approval."

Months after the Gilbane construction management contract was executed in July of 2013, CCD worked with them to analyze vendor payment issues and to develop related process improvements. The late 2013 contract reconciliations exercise revealed that there were change order scopes of work claimed by various vendors that did not receive prior approval

from CHA. After identifying these liabilities, CCD embarked on a detailed order scrubbing of all of its active contracts to identify the After-The-Fact work, validated that the work was completed, determined if the work was requested by the CHA, researched whether the CHA had knowledge of the work, and ascertained if the work was necessary to complete the projects and whether the work provided a benefit to the CHA and its residents.

OPERATIONAL IMPACT – PROCESS IMPROVEMENTS

Simultaneous with the after-the-fact discovery exercise, CCD developed a series of process improvements designed to eliminate the number of incidences of work being performed without proper authorization from the CHA. The following is a list of changes that have been instituted:

- Project Development – Some of the after fact change orders were due to work being added after the general contractors were awarded the contract. Change: Client sign off at 1) Scope development; 2) 30% design drawing approval; 3) 60% field verification; and 4) 95% design drawing;
- Vendor education and Contract administration – CCD/Gilbane conducted vendor (Architects, Engineers and GCs) workshops to re-iterate CHA's proper change order process. Contract language clarifications have been made to emphasize that CHA will no longer accept change orders without prior approval.
- Emergency Authorizations - CCD is working with DPC to formalize a protocol for emergency work when resident safety is at risk or discovered conditions need to be addressed immediately.

The contract modifications associated with the above contracts are required to address the following issues:

Name	Contract #	Scope	Amount	Work Timeframe
PDC Change Orders				
Holabird & Root	9049	Includes design change order work at scattered sites Karlov, May, Wallen, and Willard and Senior building Pucinska that included, but was not limited to, revisions to glazing system, flooring, CCTV Surveillance design changes.	\$ 25,303	Dec. 2013
Solomon Cordwell Buenz	1121	Includes design changes for the roof replacement at 3858 S. Cottage Grove and the HVAC system replacement at 2960 Federal.	\$ 49,652	Sept. 2012 – March 2013
Pappageorge Haymes	1120	Includes design change order work at various sites including, but not limited to, sprinkler systems, window replacement, kitchen revisions, Geotech services and additional construction administration.	\$ 119,128	April – Sept. 2012
Globetrotters Engineering	1118	Includes design change order work for the riser replacement at Ripperton and revisions to parking lot, architectural, civil and electrical at Oakenwald.	\$ 89,340	February 2013
Globetrotters Engineering *Contract Mod and Amendment	9050	Includes design change order work for the CCTV Surveillance system at Lowden Homes and HVAC upgrades and changes from partially sprinklered to fully sprinklered life Safety upgrades for Caroline Hedger	\$ 210,248	January – August 2013
PDC Subtotal			\$ 493,671	

General Contractors Change Orders				Work Timeframe
Madison Construction	11086	Includes abatement work at 1531 Clybourn, permit corrections and additional CCTV surveillance work at the Major Adams computer lab. HVAC, electrical and painting work at the Dearborn Management Office.	\$ 32,156	April – June 2013
Coleman Development Corp.	11089	Includes abatement work at 1750 W. Peterson as part of the Life Safety project.	\$ 2,720	June - July 2013
Oakk Construction	11088	Includes office space expansion work at the Lowden Homes computer lab and the related electrical, CCTV surveillance, and HVAC upgrades.	\$ 31,904	June – July 2013
Apex Construction	11082	Includes work at the Abraham Lincoln Center to construct 1hr fire rated walls and ceiling assemblies, plumbing repairs, landscaping upgrades, new doors and hardware, and for the installation of various new windows	\$ 24,378	April – June 2013
Oakley Construction	11295	Permit correction work performed on the Life Safety project at 5670 W. Lake Street.	\$ 25,588	July – Sept. 2013
GC Subtotal			\$ 116,746	
Total Change Order			\$ 610,417	

*Work initiated and/or completed prior to July 9, 2013, was under the Partners for Transformation Construction Management Team. *

Work initiated and/or completed after July 9, 2013, was under Gilbane Building Company.

The Capital Construction Department has verified that the amount to perform the work by each contractor was within an acceptable range of the CHA's Independent Cost Estimate for each project.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal (HUD) procurement laws.

The Deputy Chief of the Capital Construction Department concurs with the recommendation to approve the ratification of a \$210,248 contract amendment and task order modifications under Globetrotters C-9050 and \$400,169 in task order modifications to various other Chicago Housing Authority projects. The total amount to be considered is \$610,417.

The CEO/President also recommends the approval of the contract amendment and these task order modifications.

RESOLUTION NO. 2015-CHA-4

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated January 14, 2015 entitled "RATIFICATION OF A CONTRACT AMENDMENT AND TASK ORDER MODIFICATIONS FOR VARIOUS CONTRACTS";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners hereby ratifies 1) a \$210,248 contract amendment and task order modifications under Globetrotters Engineering Corporation C-9050 and 2) \$400,169 in contract modifications to various other Chicago Housing Authority projects. The total amount to be considered is: \$610,417, with the following contractors and prime design consultants:

Name	Contract #	Amount
PDC Change Orders		
Holabird & Root	9049	\$ 25,303
Solomon Cordwell Buenz	1121	\$ 49,652
Pappageorge Haymes	1120	\$ 119,128
Globetrotters Engineering	1118	\$ 89,340
Globetrotters Engineering *Amendment and Modification*	9050	\$ 210,248
PDC Subtotal		\$ 493,671
General Contractors Change Orders		
Madison Construction	11086	\$ 32,156
Coleman Development Corp.	11089	\$ 2,720
Oakk Construction	11088	\$ 31,904
Apex Construction	11082	\$ 24,378
Oakley Construction	11295	\$ 25,588
GC Subtotal		\$ 116,746
Total Change Order		\$ 610,417

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